

HOUSE BILL 3411

By Kisber

AN ACT to amend Tennessee Code Annotated, Section 7-39-102; Section 7-39-201; Section 7-39-202; Section 7-39-301 and Section 7-39-312, relative to energy acquisition corporations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-39-102(5), is amended by adding the word "county" after the word "any" and before the language "incorporated city", thereby causing Section 7-39-102(5) to read as follows:

"Municipality" means any county, incorporated city, town or metropolitan government in this state with respect to which any energy acquisition corporation may be organized and for the benefit of which such corporation will function.

SECTION 2. Tennessee Code Annotated, Section 7-39-201(a), is amended by deleting it in its entirety and by substituting instead the following:

Whenever any number of natural persons, not less than three (3), each of whom shall be either a duly qualified elector of and taxpayer in a municipality, or a member of the governing body of the energy distribution system of a municipality for the benefit of which the corporation is formed, or an employee of such system, files with the governing body thereof an application in writing seeking permission to apply for the incorporation of an energy acquisition corporation of such municipality, the governing body shall proceed to consider such application.

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SECTION 3. Tennessee Code Annotated, Section 7-39-202(a)(1), is amended by deleting it in its entirety and by substituting instead the following:

The names and residences of the applicants, together with a recital that each of them is either an elector of and taxpayer in the municipality, or a member of the governing body of the energy distribution system of the municipality for the benefit of which the corporation is formed, or an employee of such system;

SECTION 4. Tennessee Code Annotated, Section 7-39-301(a), is amended by deleting the period at the end of the subdivision and adding the following:

, or a member of the governing body of the energy distribution system of the municipality for the benefit of which the corporation is formed, or an employee of such system.

SECTION 5. Tennessee Code Annotated, Section 7-39-312(2)(A), is amended by deleting it in its entirety and by substituting instead the following:

The persons filing the application for incorporation under Section 7-39-201 shall include at least one (1) applicant from each municipality, who is either a qualified elector and taxpayer of the municipality, a member of the governing body of the energy distribution system of the municipality for the benefit of which the corporation is formed, or an employee of such system, and such application must be approved by the governing body of each municipality.

SECTION 6. Tennessee Code Annotated, Section 7-39-312(2)(C), is amended by deleting it in its entirety and by substituting the following:

(C) The board of directors may, but shall not be required to, include a member who is a resident of each associated municipality, provided that each member shall be either a duly qualified elector of and taxpayer in one (1) or more of such municipalities, or a member of the governing body of an energy distribution system for the benefit of which the corporation is formed in any of such municipalities, or an employee of any such system. A member of the board may be nominated and elected, and may be

removed for cause, in any manner approved by the governing bodies of all associated municipalities.

SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring it.